

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Cooperation- Issue of Government Guarantee for an amount of Rs. 5000.00 Crores on behalf of the Andhra Pradesh State Cooperative Bank Ltd., for the refinance by NABARD on ST/LT loans on payment of Guarantee Commission of 0.50% - Orders- Issued.

AGRICULTURE & COOPERATION (COOP.II) DEPARTMENT

G.O.MS.No. 11

Dated: 07-04-2015
Read the following:-

1. Govt. Letter No. 4822/ Coop. VI (2)/ 2014 dated 31.05.2014 from the Principal Secretary, Agri & Coop Department, Government of Andhra Pradesh addressed to Chief General Manager, NABARD.
2. NABARD Lr No. NB. TS&AP. RO. PCD/ 2597/PCD- 3/2014-15, dated 07.07.2014 addressed to the Principal Secretary to Govt, Agri & Coop Dept., Government of Andhra Pradesh.
3. Managing Director, AP State Cooperative Bank Letter No. L&A/ SAO/ F.24/ 2014-15, dated 11.07.2014.
4. Letter No. 4822/ Coop. II (2)/ 2014, dated 17.09.2014 from the Principal Secretary, Agri & Coop Department, Government of Andhra Pradesh addressed to the Chief General Manager, NABARD.
5. Managing Director, AP State Cooperative Bank, Letter No. L&A/ F.24/ 2014-15, dated 20.12.2014.
6. From the Commissioner for Cooperation and Registrar of Cooperative Societies, Andhra Pradesh, Hyderabad Lr Rc. No. 8162/ 2009/ CR.1, dated 06.01.2015

ORDER:

Whereas, consequent to the bifurcation of the State of Andhra Pradesh as per A P State Reorganization Act 2014, into two States namely Andhra Pradesh and Telangana, the Board of Management of the Andhra Pradesh State Cooperative Bank has resolved to bifurcate the Bank into Andhra Pradesh State Cooperative Bank and Telangana State Cooperative Apex Bank with effect from 02.04.2015. The Andhra Pradesh State Cooperative Bank Ltd, Hyderabad is a continuing State Cooperative Bank for the State of Andhra Pradesh with 13 districts in Andhra Pradesh.

2. Whereas, in the reference 1st read above, the Government of Andhra Pradesh assured NABARD through its letter of comfort with the approval of his Excellency the Governor of the Unified State of Andhra Pradesh that the Governments of successor States of Telangana and Andhra Pradesh would execute such documents as may be necessary and required by NABARD

3. Whereas, in the reference 2nd read above, NABARD has advised APCOB to furnish an undertaking from the State Government for continuing refinance support without any interruption after the bifurcation of the State.

4. Whereas, in the reference 3rd read above, APCOB has requested the State Government of Andhra Pradesh to provide with the letter of undertaking for execution of fresh documents, guarantee deeds in respect of ST credit limits, MT/LT Loans sanctioned to APCOB on behalf of the thirteen (13) District Cooperative Central Banks in the State of Andhra Pradesh. Accordingly Government of Andhra Pradesh has issued Letter of undertaking in favour of NABARD through the reference 4th read above.

5. Whereas, in the reference 4th read above, APCOB has requested to issue the Government Guarantee for an amount of Rs. 5000 Crores and waive payment of the guarantee commission to APCOB.

6. Whereas, in the reference 5th read above, the Commissioner for Cooperation and Registrar of Cooperative Societies, Andhra Pradesh, Hyderabad has sent proposals to the State Government for issue of Government Guarantee for an amount of Rs. 5000.00 Crores and exemption from payment of Guarantee Commission by APCOB.

/P.t.o/

7. In view of the circumstances stated above, and after careful examination, the Government has decided to give a comprehensive Guarantee to NABARD for aggregate amount of Rs. 5000.00 Crores (Rupees Five Thousand Crores Only) to cover such loans and advances granted and to be granted hereafter to the said Bank by National Bank for Agriculture and Rural Development (NABARD) to APCOB subject to the following conditions,

- a. The liability of the State Government shall be to a maximum amount of Rs. 5000.00 Crores (Rupees five thousand Crores only) and payment of Interest thereon on specified due dates.
- b. The Block Guarantee covers all loans disbursed and to be disbursed by NABARD to APCOB against the Government Guarantee.
- c. The Block Guarantee sanctioned includes the Guarantee for repayment of both Principal and Interest on the loans availed by APCOB from NABARD on such terms and conditions as may be prescribed from NABARD from time to time.
- d. APCOB shall inform the Government on quarterly basis the amounts outstanding against Government Guarantee.
- e. APCOB shall pay 0.5% Guarantee Commission on the guarantee amount to the Government before the execution of Guarantee Deed. The Guarantee Commission shall be remitted to the relevant Head of Account for the Guarantee given by State Government.

8. This order issues with the concurrence of Finance Department vide their U.O.No.9830/133/DCM.I/2015, dated:01-04-2015.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

L. PREMACHANDRA REDDY
SECRETARY TO GOVERNMENT(AM&C)

To
The Commissioner for Cooperation and
Registrar of Cooperative Societies, Andhra Pradesh, Hyderabad.
The Managing Director,
the Andhra Pradesh State Cooperative Bank Ltd., Hyderabad.
The Chief General Manager, NABARD- RO,
Andhra Pradesh, Hyderabad.
The Chairman, NABARD, Mumbai.

Copy to:-

The Accountant General, Andhra Pradesh, Hyderabad.
The Finance (DCM.1)Department,
The Pay and Accounts Officer, Andhra Pradesh, Hyderabad.
The Director of Treasuries and Accounts, A P, Hyderabad.
The PS to Secretary to Government, Agrl& Coopn(AM&C) Department.
The PS to Honorable Minister for Cooperation,
Copy to SF/S.C

// FORWARDED BY ORDER //

SECTION OFFICER